

EXHIBIT B
FINANCIAL PROJECTIONS

DISCLOSURE STATEMENT FOR DEBTOR'S PLAN OF
REORGANIZATION DATED MAY 20, 2011 – 2

76262-0001/LEGAL20442205.9

Perkins Coie LLP
1201 Third Avenue, Suite 4800
Seattle, WA 98101-3099
Phone: 206.359.8000
Fax: 206.359.9000

EXHIBIT B

FINANCIAL PROJECTIONS

	2011	2012*	2013*	2014*	2015*	2016*	2017*	2018	2019	2020
TOTAL REVENUE/RECEIPTS	\$3,083,252	\$3,622,186	\$3,892,611	\$3,992,006	\$4,170,353	\$4,356,945	\$4,547,374	\$4,684,304	\$4,740,699	\$4,793,927
TOTAL OPERATING EXPENSES	\$1,083,859	\$1,116,375	\$1,149,866	\$1,184,362	\$1,219,893	\$1,256,490	\$1,294,184	\$1,333,010	\$1,373,000	\$1,414,190
Subtotal	\$1,999,393	\$2,505,811	\$2,742,745	\$2,807,644	\$2,950,460	\$3,100,455	\$3,253,190	\$3,351,294	\$3,367,699	\$3,379,737
PROJECTED DEBT SERVICE UNDER PLAN	\$543,600.00	\$ 543,600.00	\$ 663,600.00	\$ 663,600.00	\$ 663,600.00	\$ 723,600.00	\$ 723,600.00	\$ 723,600.00	\$ 723,600.00	\$ 723,600.00
ROOF REPLACEMENT/REPAIRS	\$18,900	\$100,000	\$100,000	\$21,735	\$22,387	\$23,059	\$23,750	\$24,463	\$25,197	\$25,953
TENANT IMPROVEMENTS	\$660,689	\$287,820	\$116,280	\$79,980	\$156,340	\$137,680	\$139,120	\$60,000	\$60,000	\$60,000
SIGNS & DIRECTORIES	\$20,000	\$30,000	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149
EQUIPMENT (HVAC)	\$96,000	\$96,000	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275	\$57,964	\$59,703	\$61,494
LEASING EXPENSE	\$104,434	\$107,875	\$110,033	\$112,233	\$114,478	\$116,767	\$119,103	\$121,485	\$123,914	\$126,393
ARCHITECTURAL	\$24,960	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$17,389	\$17,911	\$18,448	\$19,002
TOTAL CAPITAL IMPROVEMENTS	\$924,983	\$636,695	\$396,763	\$286,512	\$367,945	\$354,489	\$361,265	\$287,619	\$293,232	\$298,990
LEGAL FEES AND ACCOUNTING FEES	\$290,000	\$13,781	\$14,194	\$14,610	\$15,029	\$15,480	\$15,945	\$16,423	\$16,915	\$17,423
MARKET READY/SHELL WORK	\$80,000	\$37,970	\$28,970	\$19,995	\$68,970	\$34,420	\$93,900	\$15,000	\$15,000	\$15,000
MISC. DISBURSEMENTS	\$26,025	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267
ASSET MGMT - ADMIN SVCS	\$96,000	\$100,800	\$105,840	\$111,132	\$116,689	\$122,523	\$128,649	\$135,082	\$141,836	\$148,928
TOTAL OTHER NON-OPERATING EXPENSE	\$492,025	\$153,551	\$150,034	\$146,798	\$201,780	\$173,549	\$239,653	\$167,699	\$174,981	\$182,617
TOTAL NON-OPERATING EXPENSE	\$1,960,608	\$1,333,846	\$1,210,397	\$1,096,910	\$1,233,326	\$1,251,637	\$1,324,519	\$1,178,917	\$1,191,813	\$1,205,207
PROJECTED NET CSH FLOW	\$38,785	\$1,171,965	\$1,532,348	\$1,710,734	\$1,717,135	\$1,848,818	\$1,928,671	\$2,172,377	\$2,175,886	\$2,174,529

*Lease Up Assumptions

Year	Increase
2012	10,594
2013	5,814
2014	1,043
2015	7,817
2016	6,884
2017	6,956

- Notes:** 1. Assumes Triple Net (CAM, RE TAXES & INSURANCE) increases by 3% each year.
2. Assumes new tenants will be open for business and paying rent and NNN by July of each year.
3. Assumes leasing two vacancies a year starting in 2012 through 2017 with all current tenants renewing.
4. Assumes one tenant a year 2018 - 2020 not renewing and the vacancy being filled that same year.
Used 3,000 square feet for assumption.
5. Assumptions were not made for tenants not renewing in years 2011 - 2017.
6. Projected Net Cash Flow does not include distributions for payment of taxes.

EXHIBIT C
LIQUIDATION ANALYSIS

DISCLOSURE STATEMENT FOR DEBTOR'S PLAN OF
REORGANIZATION DATED MAY 20, 2011 – 3

76262-0001/LEGAL20442205.9

Perkins Coie LLP
1201 Third Avenue, Suite 4800
Seattle, WA 98101-3099
Phone: 206.359.8000
Fax: 206.359.9000

Exhibit C

LIQUIDATION ANALYSIS

Section 1129(a)(7) of the Bankruptcy Code requires that any holder of a claim or interest in an impaired class that votes against a proposed plan must receive under the plan distributions that have a value, as of the effective date of the plan, *at least equal to* that which the holder would receive if the debtor's assets were liquidated under Chapter 7 of the Bankruptcy Code. Because all creditors are being paid in full over time with interest, this requirement is presumptively satisfied. However, this liquidation analysis is being provided to illustrate the potential distribution creditors would receive in a Chapter 7 liquidation.

This liquidation analysis was prepared using certain assumptions described in the footnotes below. In many instances, the assigned asset values are greater than Centralia believes would be obtained in a liquidation. Centralia elected to use these figures in order to illustrate that, even when utilizing these assumptions, creditors will receive more under the Plan than in a liquidation.

Liquidation Values

Assets	
Centralia Outlet Mall ¹	\$21,600,000
Vacant Lots ²	\$618,750
Cash	\$459,777
Accounts Receivable ³	\$116,767
Other Assets ⁴	<u>\$6,862</u>
Total Assets	\$22,795,294
Liabilities	
Sterling Savings Bank ⁵	\$21,600,000
Accr. Operating Expenses ⁶	\$62,000
Professional Fees ⁷	--
Costs of Sale (3%)	<u>\$648,000</u>
Total Liabilities	\$22,310,000

Potential Distribution to Class 2 (Sterling Secured Claim)

As a secured creditor with a lien on substantially all of Centralia's assets (excluding the Vacant Lots), Sterling's distribution based on the foregoing table would as follows:

Value of Assets Excluding Vacant Lots	\$22,176,544
<u>Less</u> Costs of Sale ⁸	<u>\$648,000</u>
Payment on Secured Claim	\$21,528,544

Potential Distributions to Class 3 (General Unsecured Claims)

Property Available for Unsecured Creditors

Value of Vacant Lots	\$618,750
<u>Less</u> Accrued Operating Expenses	<u>\$62,000</u>
	\$556,750

Dollar Amount of General Unsecured Claims

General Unsecured Claims	\$63,000
Sterling Unsecured Deficiency Claim ⁹	<u>\$2,870,000</u>
Total Unsecured Claims	\$2,933,000

Estimated Recovery as a Percentage (%)

Property Available for Distribution	\$556,750
<u>Divided by</u> Total Unsecured Claims	<u>\$2,933,000</u>
Percentage Distribution	18.9%

¹ The liquidation of Centralia Outlet Mall was calculated by discounting by 10% the "market value" of \$24,000,000 set forth in the appraisal submitted by Sterling Savings Bank [Docket No. 23] to account for a marketing period of less than twelve months, as assumed in Sterling's appraisal. In addition, the value of \$21,600,000 is slightly less than the "as stabilized value" (which uses an income capitalization approach) in Sterling's appraisal of \$27,500,000 with a 20% discount to account for a reduction in value based on reduced revenue. Centralia believes that the discount factors of 10% and 20%, respectively, are conservative estimates of the reduced value Centralia Outlet Mall would receive in a distressed sale.

² The liquidation value of the vacant lots is based on the values in Centralia's Schedule A [Docket No. 31] reduced by 25%.

³ In addition to the increased difficulty in collecting accounts receivable in a liquidation scenario, a majority of the accounts receivable in this case are owed by a single tenant that disputes its monthly rental obligations. Therefore, Centralia's accounts receivable of \$233,533 were reduced by 50%.

⁴ Centralia's other assets consist of FF&E and prepaid insurance. This figure represents 25% of the value of FF&E listed on Centralia's Schedule B [Docket No. 31] and assigns no value to the prepaid insurance.

⁵ Sterling Bank filed a proof of claim in the amount of \$24,376,375 plus additional fees and expenses. Although Centralia does not agree with Sterling's claim calculation, it does agree that Sterling's claim is in excess of \$21,600,000. However, the secured portion of its claim would only be equal to the liquidation value of its collateral, with any excess portion being an unsecured claim. By contrast, in the Plan, Centralia is proposing to pay Sterling's claim (excluding post-petition default interest) in full.

⁶ This amount is the approximate average amount of monthly operating expenses excluding extraordinary items such as real estate taxes.

⁷ Centralia does not anticipate its professional fees will exceed the prepetition retainer and professional fund established pursuant to prior order of the Court. If professional fees do exceed that amount, they would constitute administrative expenses that would be paid prior to general unsecured claims.

⁸ The Costs of Sale estimate does not include expenses associated with collecting accounts receivable or liquidating assets other than the Centralia Outlet Mall.

⁹ This amount is the difference, rounded to the nearest \$10,000, between the amount Sterling would recover on its secured claim and the amount of its proof of claim (\$24,376,375). Again, by using this claim amount for illustrative purposes, Sterling is not adopting the amount or calculation of Sterling's claim.